

EXHIBIT A

OMEGA NAVIGATION ENTERPRISES, INC.**Summary of Terms and Conditions for a Proposed
Standby Junior Secured Debtor-in-Possession Term Loan Credit Facility**

This is an outline of terms for possible DIP financing (the “DIP Facility”) for Omega Navigation Enterprises, Inc. (“Borrower”) and the debtor subsidiaries (“Guarantors” and, together with Borrower, the “Debtors”) that own the 8 vessels (the “Vessels”), in connection with the currently pending jointly-administered cases of the Debtors (each a “Case” and collectively, the “Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

The transactions contemplated by this term sheet are subject to Bankruptcy Court approval.

DIP Financing Term Sheet	
Borrower:	Omega Navigation Enterprises, Inc.
Guarantors:	The 8 Vessel-owning Debtors.
Lender:	Omega Investments Ltd. (“ <u>Lender</u> ”).
Amount of Facility:	Up to \$10m principal amount.
Closing Date:	By no later than August 31, 2011.
Maturity Date:	<p>The “<u>Maturity Date</u>” for the DIP Facility shall be the earliest of the following:</p> <p>(i) August 31, 2012, subject to the extension thereof for one or more 3-month periods in the exclusive discretion of the Debtors,</p> <p>(ii) the effective date of any plan of reorganization with respect to any Debtor,</p> <p>(iii) the date of conversion of any Case to a case under Chapter 7 of the Bankruptcy Code,</p> <p>(iv) the date of any termination of the exclusivity period for any Debtor; and</p> <p>(v) the date of any appointment of a Chapter 11 trustee or other disinterested person with expanded powers pursuant to Bankruptcy Code § 1104(c) in any Case.</p>
Standby Nature; Use of Proceeds:	<p>The Debtors are currently entitled to use the cash collateral of the Prepetition Lenders (“<u>Cash Collateral</u>”) and shall continue to do so in accordance with the approved budget (from time to time, the “<u>Budget</u>”). The Debtors shall continue to use Cash Collateral under and to the extent permitted in the Bankruptcy Court’s Cash Collateral orders from time to time (collectively, the “<u>Cash Collateral Order</u>”).</p>

	<p>During the term of the Cash Collateral Order, the Debtors shall be entitled to draw on the DIP Facility to the extent (and only to the extent) (i) the Debtors do not have sufficient Cash Collateral to make payments under the Budget or (ii) the Debtors exceed the permitted variance from the Budget as set forth in the Cash Collateral Order. All such draws shall be used solely for such Budget items.</p> <p>After any termination of the Cash Collateral Order, the Debtors shall be entitled to draw on the DIP Facility (i) to pay necessary expenses to operate, insure and maintain the Vessels, subject to a Bankruptcy Code § 506(c) surcharge lien and (ii) to pay other administrative expenses, including allowed professional fees and expenses of the Debtors and any committee that may be appointed.</p> <p>To the extent the Prepetition Lenders have final allowed adequate protection claims under the Cash Collateral Order for a diminution in value (as more particularly described in the Cash Collateral Order), the Debtors shall be required to draw on the DIP Facility to pay such claims.</p>
Interest:	The interest rate shall be 5% per annum, calculated on a 360/actual basis. Interest shall accrue until and shall be payable at the Maturity Date.
DIP Liens:	The Debtors will grant liens and security interests (the “ <u>DIP Liens</u> ”) on all of their assets that secure the prepetition loans of the Prepetition Lenders and also the Cash Collateral adequate protection liens and security interests (collectively, the “ <u>Senior Liens</u> ”), with the DIP Liens being junior to all Senior Liens.
Superpriority Administrative Claims:	The same as provided in the Cash Collateral Order to the Prepetition Lenders but junior to them.
Carve-Out:	The DIP Facility is subject only to the Senior Liens and the a carve-out, which shall be comprised of the following: (i) quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the Clerk of the Bankruptcy Court, (ii) the disbursements set forth in the “Cash Outflows” section of the Budget (as other than in respect of the Budget line item for “Professional Fees,” to the extent accrued during the Specified Period and remaining unpaid upon termination thereof, (iii) the allowed (pursuant to Bankruptcy Court order) fees and expenses of the professionals engaged (pursuant to Bankruptcy Court order) by the Debtors (including, without limitation, Bracewell & Giuliani LLP and Jefferies & Co., Inc.) or any Committee, if appointed, to the extent accrued during the Specified Period and remaining unpaid upon termination thereof, and regardless of whether already approved or pending approval by the Bankruptcy Court, but subject to the limitations for payment of “Professional Fees” set forth for such line item in the Budget (plus any permitted variance), and (iv) the allowed (pursuant to Bankruptcy Court order) fees and expenses of Estate Professionals which accrue after the Specified

	Period, in an aggregate amount not to exceed \$1,500,000.00.
Voluntary Prepayments:	Not permitted without Bankruptcy Court approval.
Mandatory Prepayments:	None.
Commitment Fee	None.
Exit Fee	None.
Representations and Warranties:	None.
Covenants:	<p>The Debtors will covenant to make draws on the DIP Facility solely for the purposes described under “Standby Nature; Use of Proceeds” above.</p> <p>Lender will covenant that it will not incur or pay any non-operating expenses or any other expenses outside of the ordinary course of its business without reasonable prior notice to the Debtors and the Prepetition Lenders.</p>
Financial Covenants:	None.
Conditions Precedent:	<p>(i) No trustee, or other disinterested person with expanded powers pursuant to Bankruptcy Code § 1104(c), shall have been appointed or designated with respect to any Debtor or their respective business, properties or assets and no motion shall be pending seeking any such relief.</p> <p>(ii) Entry of a final order by the Bankruptcy Court approving the DIP Facility.</p> <p>(iii) The satisfactory negotiation, execution and delivery of loan documents relating to the DIP Facility consistent with the terms set forth herein and, in the discretion of the Debtors, to be in binding term sheet form taking into account the fact that Lender is a non-debtor wholly-owned affiliate of the Debtors.</p>
Events of Default:	None other than the events triggering the Maturity Date as described above.
Remedies:	At the option of Lender, repayment in full or conversion into equity pursuant to a plan of reorganization, or any combination of the foregoing.
Governing Law:	Texas.